UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA

V.

CRIMINAL COMPLAINT

MICHAEL RILEY
a/k/a M.J.
(DOB: 11/1/77)

CASE NUMBER 05-M-406

I, James H. Krueger, the undersigned complainant, being duly sworn state the following is true and correct to the best of my knowledge and belief (a) on or about February 17, 2005, in the State and Eastern District of Wisconsin, Michael J. Riley, a/k/a M.J. (DOB: 11/1/77) possessed a controlled substance (cocaine) with intent to distribute, in violation of Title 21, United States Code, Section 841(a)(1); and (b) on or about March 3, 2005, in the State and Eastern District of Wisconsin, Michael J. Riley, a/k/a M.J. (DOB: 11/1/77) engaged in money laundering, to-wit: knowing that money involved in a financial transaction represents the proceeds of some form of illegal activity, Riley conducted a financial transaction which, in fact, involved the proceeds of a specified unlawful activity (distribution of a controlled substance) knowing the transaction was designed in whole or in part to conceal or disguise the nature, location, source, ownership, and the control of the proceeds of a specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

I further state that I am a Special Agent with the Drug Enforcement Administration, and this complaint is based on the following facts:

Please see the attached affidavit.

Continued on the attached sheet and made a part hereof: X Yes __ No

Signature of Complainant
JAMES H. KRUEGER

Sworn to before me and subscribed in my presence,

March 4, 2005
Date

at Milwaukee, Wisconsin
City and State

The Honorable William E. Callahan, Jr.
United States Magistrate Judge
Name & Title of Judicial Officer

Signature of Judicial Officer

I, James H. Krueger, being duly sworn under oath, state as follows:

A. Overview

1. I am a special agent of the Drug Enforcement Administration (DEA). I have been a DEA agent for approximately 5 years. During that time I have been involved in more than one hundred investigations involving the illegal distribution of controlled substances, including marijuana, powder cocaine, and crack cocaine.

2. As part of my duties, I have been assigned an investigation of Michael Riley, also known as "MJ", and others. In the course of this investigation, I and other law enforcement officers have utilized multiple means of investigation. These have included, but were not limited to: debriefings of informants, controlled buys of illegal drugs, surveillance, search warrants, and analysis of financial records.

3. Based on the investigation to date, I believe that probable cause exists that **Michael Riley, also known as "MJ", d/o/b 11/1/77**, (a) on or about February 17, 2005, possessed a controlled substance (cocaine) with intent to distribute, in violation of Title 21, United States Code, section 841(a)(1); and (b) on or about March 3, 2005, engaged in money laundering – that is, knowing that property involved in a financial transaction represented the proceeds of some form of illegal activity, Riley conducted a financial transaction which in fact involved the proceeds of specified unlawful activity (distribution of a controlled substance), knowing the transaction was designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified unlawful activity; all in violation of Title 18, United States Code, section 1956(a)(1)(B)(i).

4. This belief is based on the following; however, this statement does not exhaust all of the knowledge that I and other law enforcement officers have accumulated with respect to Riley. In addition, to the extent that certain information described below was not directly observed by me, I believe it to be truthful and reliable because of corroborating information.

B. Prior Criminal Record of Michael Riley

5. Riley has one prior felony fraud conviction related to an automobile title.

C. Informant Information

6. Numerous individuals have supplied information to law enforcement officers regarding Riley's participation in the illegal distribution of drugs. One such individual, hereafter CI-1, supplied the following information to law enforcement officers in December of 2004. CI-1 has known Riley since Riley was a child. CI-1 has observed Riley selling cocaine on numerous instances, including as early as 1991, when Riley was selling $10 and $20 quantities of cocaine. By 1994, Riley was acquiring up to 9 ounces of cocaine at a time and reselling it in 1-ounce and 2-ounce quantities. CI-1 directly purchased cocaine from Riley in the mid-1990s.

7. CI-1 stated that by 1997, Riley was handling kilogram-size quantities of cocaine. CI-1 said that sometime in 1999 or 2000, Riley told CI-1 that he was receiving 2-3 kilograms of cocaine from a particular source. I know from other investigations that this particular source was capable of supplying kilogram-size quantities.

8. CI-1 further stated that in the winter of 2004, CI-1 became aware of a transaction whereby Riley sold a third person approximately 13 ½ ounces of powder

cocaine. The third person had asked CI-1 to financially participate in the transaction, but CI-1 refused. CI-1, however, observed Riley and the third person enter a residence. When Riley departed, the third person showed CI-1 the cocaine that Riley had sold to the third person for $9,600.

9. Another cooperating informant supplied similar information to law enforcement officers. CI-2 was interviewed in 1999. CI-2 stated that Michael Riley, also known as "MJ", had sold cocaine to CI-2 twice during 1998: one transaction involving 4 ½ ounces for $2,750 and another transaction involving 9 ounces for $5,500.

10. In December of 2000, a third informant, CI-3, was interviewed by law enforcement officers. CI-3 stated that CI-3 was involved in purchasing multiple-ounce quantities of cocaine from certain individuals. According to CI-3, those individuals were assisted in acquiring cocaine by Michael Riley.

D. February 2005 Drug Possession

11. On or about February 17, 2005, law enforcement officers learned through CI-1 that Michael Riley was about to complete the sale of 4 ½ ounces of cocaine. Based on that information, Riley (while driving in Milwaukee on north 51st Street) was approached by law enforcement officers. Riley apparently saw the officers and began dumping a white powdery substance from his vehicle. When Riley was stopped, he had the powder substance on his clothes and on the floor and seat of the vehicle. The powder from the street was field-tested positive for the presence of cocaine. Riley initially was held, but then released.

E. Financial Information

12. A cooperating witness, hereafter CI-4, was interviewed by law enforcement officers on January 20, 2005, at Chrysler automobile dealership in Waukesha. CI-4 is employed at the dealership. CI-4 stated that individuals later identified as Michael Riley and Charisse M. Reed were involved in the May 2004 purchase of a Chrysler 300 automobile. The purchase included several upgrades, including stitched "MJ" lettering on the back of each headrest. According to CI-4, the purchase of the vehicle was put in Reed's name, however, Riley was the one who took the vehicle for a test drive and who ordered the special features. CI-4 said that Riley took the down payment money out of his own pocket as part of the transaction. According to records of the transaction, the total purchase price was $26709. The down payment included $4,000 in cash and $3,000 in a cashiers check. The remainder of the transaction was financed.

13. Another cooperating informant, CI-5, is a person who runs a jewelry store in Milwaukee. CI-5 is familiar with Riley and his alleged drug dealing activity. According to CI-5, on or about December 11, 2004, Riley negotiated the purchase of a Rolex watch for $15,840. Riley eventually made down payments totaling $3,750. Riley also provided CI-5 with $6,000 dog tag and $2,000 chain that he wanted CI-5 to sell.

14. On or about February 18 and February 25, 2005, Riley met with CI-5 and told CI-5 that Riley had been arrested and needed money. During the February 25 meeting, Riley said that he had met with government agents and that they were asking about Riley's assets. Riley told CI-5 that if CI-5 were questioned about the down

payment on the Rolex watch, CI-5 should say that Riley had previously obtained a refund. Riley indicated, however, that he still intended to purchase the watch.

15. On March 4, 2005, Riley brought CI-5 an additional $1,250 in cash for the purchase of the watch. Riley was then arrested by law enforcement officers. An additional $5,985 in cash was found in Riley's pants pocket.

16. I am aware that the jewelry store run by CI-5 is engaged in interstate commerce through its purchase and sale of jewelry.